

## **KENYA TEA INDUSTRY PERFORMANCE HIGHLIGHTS FOR 2024**

### **EARNINGS FROM TEA SALES**

During the year 2024, the total earnings from tea amounted to Kshs. 215.21 Billion, out of which Kshs. 181.69 Billion was earned from exports, Kshs. 18.00 Billion from local sales and Kshs. 15.52 Billion from committed stocks. This was an increase of 9% from the marketed value of Kshs. 196.97 Billion recorded in 2023.

From the total marketed value, the exports earnings recorded improved performance of 1% (Kshs. 1.12 Billion) to stand at Kshs. 181.69 Billion from Kshs. 180.57 Billion recorded in 2023. Higher export earnings were attributed to increased export volume by 14% (71.59 Million Kgs) from 522.92 Million Kgs recorded in 2023 to 594.50 Million Kgs. However, compared to the year 2023, the export prices and the exchange rate to the USD were less favourable to the earnings. The average export unit price was slightly lower in dollar terms at USD 2.27 per Kg compared to USD 2.47 in 2023 while the mean exchange rate of the Kenya Shillings to the USD was lower at 134.82 compared to 139.85.

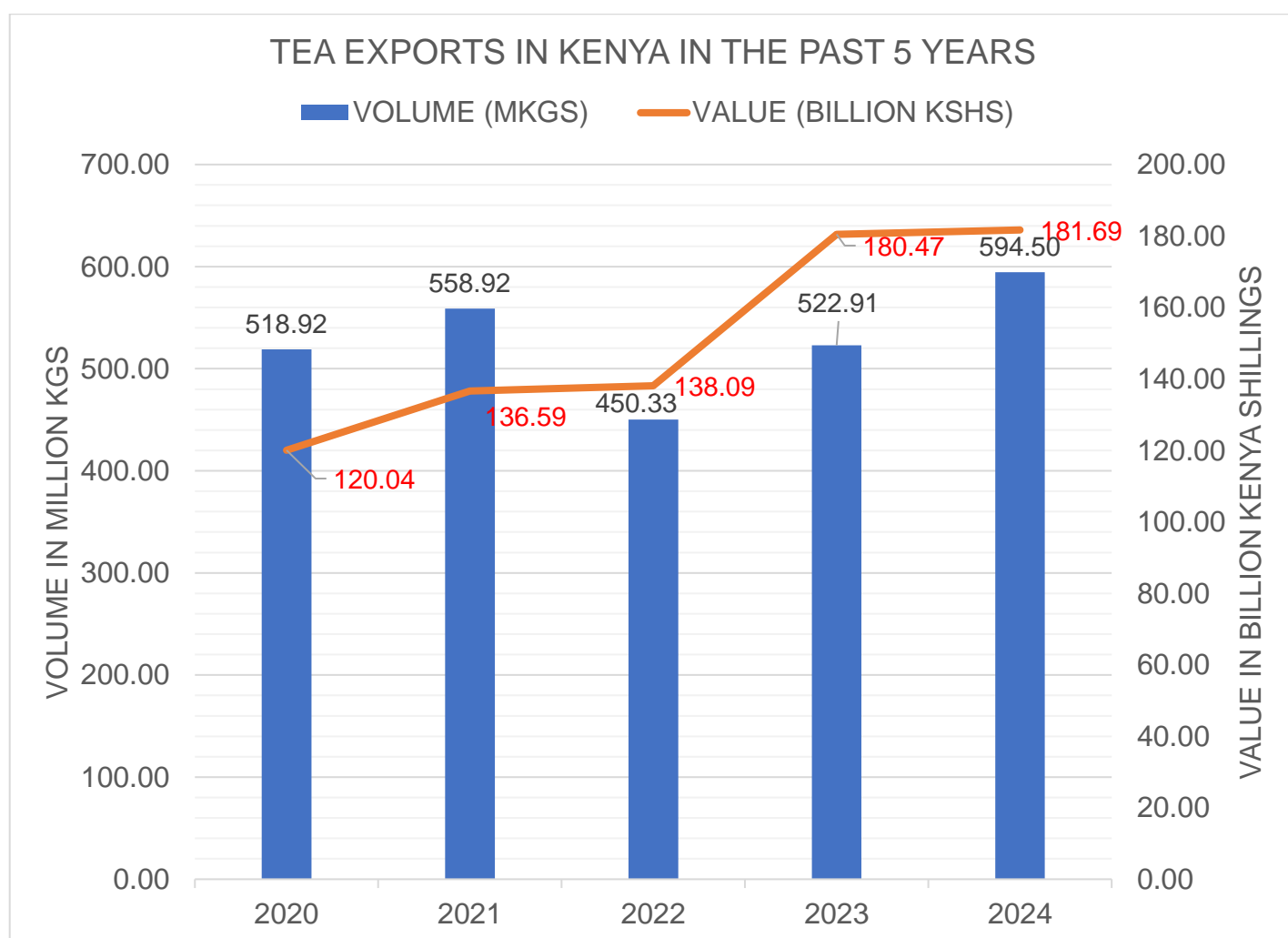
During the year 2024, Kenya tea was shipped to ninety-six (96) export destinations compared ninety-two (92) in the year 2023. Pakistan maintained its position as the leading export destination for Kenya tea having imported

206.27 Million Kgs, which accounted for 34.7% of the total export volume. In terms of value, the consignment to Pakistan was worth Kshs. 70 Billion. Other key export destinations for Kenya tea were Egypt whose import volume was 86.90 Million Kgs worth Kshs. 23.96 Billion; UK (57.44 Million Kgs valued at Kshs. 16.99 Billion); UAE (30.50 Million Kgs valued at Kshs. 10.27 Billion); Russia (28.46 Million Kgs, Kshs. 7.43 Billion); India (17.13 Million Kgs, Kshs. 3.94 Billion); Saudi Arabia (15.92 Million Kgs, Kshs. 6.02 Billion); Yemen (14.13 Million Kgs, Kshs. 5.52 Billion); Iran (13 Million Kgs, Kshs. 4.26 Billion); and China (12.42 Million Kgs, Kshs. 2.73 Billion). The top ten export destinations, majority of which are traditional markets for Kenya tea accounted for 81% of Kenya tea export volume. Compared to the year 2023, more exports were recorded in traditional markets with Egypt recording the highest increase in export volume by 21.01 Million Kgs. India recorded the second highest increase by 11.86 Million Kgs followed by UK 11.29 Million Kgs; Russia (10.11 Million Kgs); Saudi Arabia (8.09 Million Kgs); China (7.79 Million Kgs); Chad (4.69 Million Kgs) and Poland (3.49 Million Kgs). Notably, Chad is significantly growing as an emerging market for direct imports from Kenya. Prior to the conflict in Sudan, Chad which is a land locked country, would get its import supplies including tea from Sudan. However, due to the blockage of trade routes from Sudan, Chad has now shifted to Nigeria and Cameroon as alternative import transshipment routes. Just like Chad, South Sudan is also rapidly growing as an emerging market for Kenya tea. Similarly, there were improved exports to other traditional and emerging markets such as Kazakhstan; Somali; Switzerland; Oman; Nigeria; Ukraine; Sri Lanka; USA; Germany; South Africa and Japan.

Due to market access challenges occasioned by internal conflict in the country, there was a dip in tea exports to Sudan of 12%. Tea exports to Pakistan also recorded a dip of 2% owing to the effects of the changes in the sales tax policy in the market, which was effected during the last quarter of the year.

During the year 2024, there were also market access challenges occasioned by disruptions along the Red Sea shipping route due to the attacks on vessels by Yemen Terrorist group. This has prompted several shipping lines to suspend their operations through the route and revert to using the Southern tip of Africa an alternative transshipment route, whose shipment duration is much longer and costs more from the Port of Mombasa.

However, with a view to consolidate and expand the tea markets, the Tea Board of Kenya in collaboration with the industry stakeholders participated in several trade missions and exhibitions for tea in UAE, Iran, Turkey, Ghana, Germany, China and Hong Kong.



During the year 2024, value added tea exports amounted to 28.90 million Kgs, which represented 5% of the total exported volume. This was an increase of 10% from 26.14 Million Kgs recorded in 2023. The exports in value added form were shipped to forty-eight (48) market destinations which included United

Kingdom; Sudan; Oman; Somalia; Yemen; Burkina Faso; Cote D'ivoire; Chad; Ireland; Pakistan; South Sudan; Saudi Arabia; Mali; United States; Eritrea; India; Japan; Russian Federation; Niger; Guinea; Poland; Singapore; Senegal; Italy; Germany; Togo; Congo; Congo The Democratic Republic; United Arab Emirates; Gabon; Mauritania; Cyprus; Malta; Spain; Syrian Arab Republic; Malaysia; Cameroon; Indonesia; Iceland; Papua New Guinea; Malawi; Kuwait; Australia; Viet Nam; China; Tanzania; and Mauritius.

Out of the total exports of value-added tea, United Kingdom accounted for the highest volume at 35.6% and was followed Sudan at 14.4%, Oman (12.7%); Somalia (11.6%); Yemen (6.4%), and Burkina Faso (3%). Other significant importers of value-added teas included Cote D'ivoire; Chad; Ireland; Pakistan; South Sudan; Saudi Arabia; Mali; United States; Eritrea. The exports in value teas added form included tea bags and loose tea packed in retail packages as well as tea extracts and instant teas from local tea factories. Exports in value added form have been boosted by removal of VAT on teas purchased for value addition through the Finance Act 2023. To boost value addition further, the Government will support establishment of Common User Facilities for value addition by providing fiscal and administrative incentives to facilitate tea packaging prior to export at competitive rates. To kick start the process, discussions have been held between Chali Tea of China, the Tea Board of Kenya and local private tea companies to set up a Common User Facility (CUF) for value addition in a Special Economic Zone. In addition, the Government will support establishment of Warehousing facilities for storage of value-added tea in the target markets (specifically Ghana; DRC Congo; UAE) to ease distribution of value-added teas and mitigate against market access challenges due to shipment logistics. In May, 2024, the Government also launched China-Kenya tea trade centre in FUJIAN province in China to facilitate distribution of Kenya tea in the market.

During the year 2024, Sales in the local market was slightly higher at 37.50 Million Kgs against 37.30 Million Kgs recorded in 2023 and 36.50 Million Kgs

for 2022 but lower compared to 38.42 Million Kgs for the year 2021. The sale of tea in the domestic market generated Kshs. 18 Billion up from Kshs. 16.4 Billion generated in 2023.

## **PRODUCTION**

Tea production for the year 2024 surpassed the one of 2023 by 28.21 Million Kgs (4.95%) to stand at 598.47 Million Kgs against 570.26 Million Kgs for the year 2023. It was also significantly higher compared to 535.04 Million Kgs recorded in 2022. Good crop production recorded for the last two years is attributed to favourable weather conditions that was characterized by enhanced and well distributed rainfall. This was also supported by application of fertilizer, licensing of new factories and enhancing of processing capacity in the existing factories. Under the fertilizer subsidy program to improve agricultural productivity, the Government has over the last two years assisted the tea farmers across the tea growing regions to access 194,000 metric tonnes of fertilizer at a subsidized rate of Kshs 2500 per 50 Kg bag. With a view to reducing on the post-harvest losses, the Government has also granted additional processing capacity of about 330 Million Kgs of Greenleaf annually from 2374 Million Kgs to 2704 Million Kgs.

Out of the total production of 598.47 Million Kgs of made tea, production of Specialty tea was about 1.26% (7.51 Million Kgs). Out of the total Specialty tea, Black Orthodox accounted for the highest proportion at 94% equivalent to 7.05 Million Kgs, while the rest was majorly Green and purple (5.8%) equivalent to 437,200 Kgs.

**Table 1: Production by Sub-Sector and Region (2024 vis-à-vis 2023)**

<b>Producer</b>	<b>Block</b>	<b>Jan-Dec2024</b>	<b>Jan-Dec 2023</b>	<b>Variance +/-</b>	<b>Var.(%)</b>
<b>Estates</b>	West of Rift	139,832,635	140,658,815	- 826,180	-0.59%
	East of Rift	3,934,394	3,969,356	- 34,962	-0.88%
	<b>Total</b>	<b>143,767,029</b>	<b>144,628,171</b>	<b>- 861,142</b>	<b>-0.60%</b>

<b>Smallholders -KTDA</b>	West of Rift	143,690,770	120,541,828	23,148,942	19.20%
	East of Rift	169,284,639	157,970,403	11,314,236	7.16%
	<b>Total</b>	<b>312,975,409</b>	<b>278,512,230</b>	<b>34,463,179</b>	<b>12.37%</b>
<b>Independent s</b>	West of Rift	120,929,363	124,813,470	- 3,884,107	-3.11%
	East of Rift	15,688,478	15,873,126	- 184,648	-1.16%
	<b>Total</b>	<b>136,617,841</b>	<b>140,686,596</b>	<b>- 4,068,755</b>	<b>-2.89%</b>
<b>Nyayo T. Zones</b>	West of Rift	3,609,416	4,808,844	- 1,199,428	-24.94%
	East of Rift	1,508,030	1,624,337	- 116,307	-7.16%
	<b>Total</b>	<b>5,117,446</b>	<b>6,433,181</b>	<b>- 1,315,735</b>	<b>-20.45%</b>
<b>Estates, Smallholder, Independent s &amp; Nyayo Tea Zones</b>	West of Rift	408,062,184	390,822,957	17,239,227	4.41%
	East of Rift	190,415,541	179,437,221	10,978,320	6.12%
	<b>Grand Total</b>	<b>598,477,725</b>	<b>570,260,178</b>	<b>28,217,547</b>	<b>4.95%</b>

## **TEA SALES**

### **AUCTION**

During the year 2024, the quantity of Kenya tea offered and re-offered at the auction stood at 723 Million Kgs, which included stocks brought forward from the previous year. However, the quantity sold was 382 Million Kgs, which represented an absorption rate of 55% compared to 60% in 2023. Lower absorption rate was on account of higher supply occasioned by increased production coupled by lower demand due to economic recession experienced in most markets, which is largely attributed to effects of the ongoing Russia-Ukraine crisis. Other factors affecting demand in key markets include conflict in Sudan, forex challenges facing Pakistan and Egypt and disruptions along the Red Sea shipping route. During the year, some of these markets maintained low buying participation at the auction.

The most affected teas were those offered by factories in the West of Rift and BP1 grade across all factories following low market penetration in Sudan, Russia and Iran markets. Consequently, the average auction price for Kenya tea in the year 2024 was slightly lower at 2.19 USD per Kg against 2.24 USD realized in 2023 and 2.49 USD in 2022.

	<b>Auction Price in USD/KG</b>			
	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Jan	2.19	2.33	2.68	2.02
Feb.	2.23	2.31	2.73	2.11
March	2.15	2.39	2.59	1.99
April	2.29	2.38	2.53	1.89
May	2.18	2.26	2.41	1.91
June	2.14	2.08	2.44	1.82
July	2.21	2.06	2.37	1.74
August	2.20	2.25	2.39	2.09
Sept.	2.25	2.25	2.36	2.21
Oct.	2.07	2.16	2.46	2.41
Nov.	2.22	2.17	2.49	2.51
Dec.	2.19	2.19	2.39	2.55
<b>Average</b>	<b>2.19</b>	<b>2.24</b>	<b>2.49</b>	<b>2.10</b>

For each specific grade, the price and absorption follows demand and quality (leaf appearance and leaf infusion as well as liquoring characteristics). For smallholder tea factories, whose quality is higher (“good medium” to “best”), the prices fetched were relatively higher compared to the other factories at an average of 2.74 USD per Kg. To enhance the quality of teas on offer, TBK has developed guidelines on the Greenleaf standards.

29TH FEBRUARY 2024

**Table 3: Kenya Tea Exports by Destination (Jan.- Dec. 2024 vis-à-vis Jan.- Dec. 2023)**

DESTINATION	2024 QUANTITY	2024 VALUE	2023 QUANTITY	2023 VALUE	QUANTITY	%	2024 Export
-	KGS	KSHS	KGS	KSHS	DIFF.	VARIANCE	Share
PAKISTAN	206,273,790	70,002,994,963	209,593,999	75,220,469,074	(3,320,209)	-2%	34.70%
EGYPT	86,901,163	23,962,867,365	65,894,638	22,054,416,948	21,006,525	32%	14.62%
UK	57,441,331	16,990,285,925	46,143,349	14,673,029,160	11,297,982	24%	9.66%
UAE	30,497,740	10,272,518,393	28,608,035	10,151,543,464	1,889,705	7%	5.13%
RUSSIA	28,463,410	7,436,191,571	18,346,818	5,258,283,148	10,116,592	55%	4.79%
INDIA	17,131,826	3,945,799,748	5,263,750	1,732,581,697	11,868,076	225%	2.88%
SAUDI ARABIA	15,924,641	6,020,987,545	7,830,894	2,995,016,109	8,093,747	103%	2.68%
YEMEN	14,138,634	5,527,701,880	22,692,263	9,119,381,642	(8,553,629)	-38%	2.38%
IRAN	13,008,556	4,269,820,860	12,409,616	4,289,244,380	598,940	5%	2.19%
CHINA	12,423,722	2,736,803,249	4,625,876	1,551,588,813	7,797,846	169%	2.09%
POLAND	11,607,636	2,755,584,656	8,114,462	2,360,614,040	3,493,174	43%	1.95%
SUDAN	10,697,707	2,280,877,420	12,134,689	2,921,784,050	(1,436,982)	-12%	1.80%
KAZAKHSTAN	8,518,812	2,933,198,975	6,578,575	2,553,676,149	1,940,237	29%	1.43%
CHAD	7,468,165	1,166,005,002	2,777,953	505,162,573	4,690,212	169%	1.26%
SOMALIA	6,753,054	1,001,499,521	3,816,854	628,375,499	2,936,200	77%	1.14%
IRELAND	6,180,493	2,856,615,556	5,905,500	3,427,855,134	274,993	5%	1.04%
SWITZERLAND	5,675,113	1,206,894,892	3,461,965	836,217,706	2,213,148	64%	0.95%
JORDAN	5,187,074	1,984,691,394	6,525,040	2,617,872,327	(1,337,966)	-21%	0.87%
OMAN	4,229,119	1,388,945,480	1,792,162	512,108,571	2,436,957	136%	0.71%
AFGHANISTAN	4,097,839	1,281,154,614	10,652,769	3,692,229,521	(6,554,930)	-62%	0.69%
NIGERIA	4,072,038	942,104,294	3,011,722	827,743,501	1,060,316	35%	0.68%
MALAYSIA	3,963,355	924,997,674	3,373,952	1,102,942,826	589,403	17%	0.67%
UKRAINE	3,849,698	798,348,091	2,635,929	668,728,899	1,213,769	46%	0.65%
SRI LANKA	3,815,429	713,223,120	1,032,938	240,328,777	2,782,491	269%	0.64%
USA	3,317,163	1,484,243,444	2,206,776	1,163,320,103	1,110,387	50%	0.56%
JAPAN	3,196,629	994,130,486	2,695,684	1,013,861,708	500,945	19%	0.54%
GERMANY	2,237,656	464,009,207	1,311,748	344,979,285	925,908	71%	0.38%
NETHERLANDS	2,122,595	483,922,448	1,765,564	496,525,522	357,031	20%	0.36%
SOUTH AFRICA	1,928,967	397,493,154	1,401,486	411,049,573	527,481	38%	0.32%
TURKEY	1,443,076	455,950,757	1,527,290	504,133,838	(84,214)	-6%	0.24%
QATAR	1,229,298	296,808,396	1,328,402	376,426,693	(99,104)	-7%	0.21%
SOUTH SUDAN	931,739	205,373,618	457,852	94,460,703	473,887	104%	0.16%
CANADA	872,213	266,603,869	1,024,112	381,398,515	(151,899)	-15%	0.15%
UZBEKISTAN	737,077	251,592,351	973,888	347,522,044	(236,811)	-24%	0.12%
TAIWAN	543,685	169,070,529	758,545	222,405,709	(214,860)	-28%	0.09%
AUSTRALIA	542,909	115,276,320	123,670	27,569,804	419,239	339%	0.09%
HONG KONG	469,046	79,147,171	316,923	68,619,243	152,123	48%	0.08%
BURKINA FASO	430,601	365,739,974	261,205	233,224,880	169,396	65%	0.07%
MAURITIUS	427,434	113,040,997	463,494	130,666,554	(36,060)	-8%	0.07%
DJIBOUTI	420,600	114,181,967	380,791	111,092,337	39,809	10%	0.07%
COTE D'IVOIRE	403,526	350,470,310	289,854	275,029,148	113,672	39%	0.07%
IRAQ	380,344	90,846,439	195,461	52,104,902	184,883	95%	0.06%
SINGAPORE	363,408	181,135,469	262,281	194,269,232	101,127	39%	0.06%



KYRGYZSTAN	357,525	123,113,623	250,500	117,213,747	107,025	43%	0.06%
GHANA	354,460	69,223,762	248,727	52,576,508	105,733	43%	0.06%
BANGLADESH	339,714	73,886,428	614,819	106,208,236	(275,105)	-45%	0.06%
EPZ	296,642	153,697,683	6,719,137	2,384,829,924	(6,422,495)	-96%	0.05%
ERITREA	265,382	18,003,829	308,190	95,177,263	(42,808)	-14%	0.04%
CENTRAL AFRICAN REPUBLIC	243,074	33,081,687	48,694	7,281,195	194,380	399%	0.04%
VIET NAM	239,247	46,699,005	215,409	43,618,085	23,838	11%	0.04%
ISRAEL	175,348	24,924,458	221,462	40,781,349	(46,114)	-21%	0.03%
ZAMBIA	149,040	21,004,723	244,342	116,376,424	(95,302)	-39%	0.03%
MALI	130,962	53,853,539	69,902	47,492,235	61,060	87%	0.02%
GEORGIA	121,050	85,718,093			121,050		0.02%
MEXICO	108,000	113,775,088	30,221	49,336,927	77,779	257%	0.02%
AZERBAIJAN	102,174	37,599,054	183,400	81,560,017	(81,226)	-44%	0.02%
NEW ZEALAND	101,800	31,268,619	60,569	24,507,538	41,231	68%	0.02%
SPAIN	88,850	15,098,121	438,274	79,467,179	(349,424)	-80%	0.01%
ETHIOPIA	79,828	11,582,377	58,114	8,727,674	21,714	37%	0.01%
MOROCCO	74,400	10,265,818			74,400		0.01%
PERU	74,400	15,730,152	528,415	151,253,932	(454,015)	-86%	0.01%
CONGO DRC	73,822	48,285,343	51,746	51,970,748	22,076	43%	0.01%
INDONESIA	71,280	34,707,381	300,405	108,228,472	(229,125)	-76%	0.01%
SENEGAL	58,940	46,653,859	47,237	43,831,125	11,703	25%	0.01%
GUINEA	58,546	53,172,312	17,056	16,315,597	41,490	243%	0.01%
ARGENTINA	58,000	13,486,997			58,000		0.01%
NIGER	56,914	50,280,160	26,570	12,029,585	30,344	114%	0.01%
MYANMAR	52,264	23,292,927	280,936	82,737,865	(228,672)	-81%	0.01%
TANZANIA	51,682	10,149,451	139,572	93,332,665	(87,890)	-63%	0.01%
BAHRAIN	50,042	8,712,943	20,729	3,879,412	29,313	141%	0.01%
AUSTRIA	48,960	10,481,768			48,960		0.01%
ITALY	37,600	51,955,467	29,293	59,063,007	8,307	28%	0.01%
BRAZIL	36,229	14,693,213	25,139	18,396,501	11,090	44%	0.01%
CAMEROON	30,551	8,558,743	80,603	12,346,893	(50,052)	-62%	0.01%
MALTA	27,018	11,839,192	3,360	1,953,779	23,658	704%	0.00%
ANGOLA	25,380	5,592,372	1,200	420,632	24,180	2015%	0.00%
ROMANIA	25,280	7,734,609	216,515	69,828,980	(191,235)	-88%	0.00%
MAURITANIA	20,696	18,032,601	25,800	7,055,504	(5,104)	-20%	0.00%
TAJIKISTAN	19,040	3,034,165	24,000	8,297,557	(4,960)	-21%	0.00%
MOZAMBIQUE	10,636	1,425,925			10,636		0.00%
GAMBIA	10,348	8,765,152	5,174	5,353,332	5,174	100%	0.00%
TOGO	10,348	8,780,465	5,175	5,259,131	5,173	100%	0.00%
CYPRUS	10,286	3,536,856			10,286		0.00%
SYRIA	7,860	1,596,822			7,860		0.00%
GABON	5,174	4,865,636	10,097	13,420,449	(4,923)	-49%	0.00%
UGANDA	5,159	4,828,458	4,589	4,926,127	570	12%	0.00%
ICELAND	4,599	3,533,004			4,599		0.00%
KUWAIT	4,238	3,380,167			4,238		0.00%
SWAZILAND	2,722	2,844,543	206,274	66,358,363	(203,552)	-99%	0.00%

PAPUA NEW GUINEA	2,612	2,428,270			2,612		0.00%
MALAWI	2,360	2,199,078	3,096	3,249,763	(736)	-24%	0.00%
ALBANIA	2,060	649,455	-	-	2,060		0.00%
BELGIUM	960	1,009,713			960		0.00%
FRANCE	876	677,196	744	1,302,240	132	18%	0.00%
CZECH REPUBLIC	300	1,195,995	297	539,204	3	1%	0.00%
NORWAY	48	28,169			48		0.00%
ZIMBABWE	40	4,564			40		0.00%
CHILE			76,301	45,113,119	(76,301)	-100%	0.00%
LEBANON			26,840	11,222,339	(26,840)	-100%	0.00%
TURKMENISTAN			20,100	3,610,760	(20,100)	-100%	0.00%
BELARUS			19,840	7,794,723	(19,840)	-100%	0.00%
VENEZUELA			15,000	6,108,879	(15,000)	-100%	0.00%
EL SALVADOR			14,648	3,340,458	(14,648)	-100%	0.00%
BENIN			6,708	5,438,316	(6,708)	-100%	0.00%
HUNGARY			1,000	1,000,982	(1,000)	-100%	0.00%
SOUTH KOREA			200	557,655	(200)	-100%	0.00%
TOTAL	594,503,077	181,690,088,120	522,915,190.58	180,570,546,196.12	71,587,886	13.7%	100.00%